Message Text

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TO SECSTATE WASHDC 5571

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

UNCLAS LUXEMBOURG 0041

E.O. 11652: NA TAGS: EEC, LU

SUBJ: THORN'S SPEECH ON EEC

SUMMARY: IN A JANUARY 11 SPEECHON THE EUROPEAN ECONOMIC COMMUNITY TO THE

AMERICAN BUSINESSMEN'S ASSOCIATION, PRIME MINISTER THORN EMPHASIZED THAT AN ECONOMICALLY STRONG AND POLITICALLY COHESIVE EEC WOULD SERVE THE INTERESTS OF THE UNITED STATES AND THE ENTIRE FREE WORLD. HE GAV GAVE.

HOWEVER, A PREDICTABLY GLOOMY ACCOUNT OF THE CURRENT STATE OF PROGRESS

TOWARDS INTERGRATION. RESPONDING TO A QUESTION ON LUXEMBOURG'S ATTITUDE

TOWARDS A NEW PUERTO RICAN TYPE SUMMIT (SEPTEL), THORN GAVE AN IRONIC REPLY BUT MADE IT CLEAR THAT HE BELIEVES A MEANINGFUL AND INCLUSIVE UNCLASSIFIED

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DIALOGUE AMONG THE U.S., JAPAN, CANADA AND THE EEC IN THE NEAR FUTURE IS OF VITAL IMPORTANCE. HE IMPLIED THAT THE QUESTION OF WHETHERE AND HWO THE SMALLER EEC STATES ARE REPRESENTED IS AN INTERNAL EEC PROBLEM. FULL TEXT OF THORN'S REMARKS MAILED TO THE DEPARTMENT (EUR/NE). END SUMMARY.

1. IN LINE WITH VIEWS THORN HAS EXPRESSED ON SEVERAL

OCCASIONS RECENTLY, HE DEPLORED THE LACK OF EEC PROGRESS TOWARDS ECONOMIC AND POLITICAL INTEGRATION. HE UNDERSCORED THE PROBLEM OF DEFINING COMMON EEC ECONOMIC POLICIES BY POINTING OUT THAT CURRENT INFLATION RATES VARY AMONG THE MEMBER STATES FROM 4-21 PERCENT A YEAR. HE ALSO DEPLORED THE LACK OF A COMMON ENERGY POLICY AND ARGUED THAT THE MEMBER STATES ARE DANGEROUSLY FOOT-DRAGGING IN DEVELOPING ALTERNATE SOURCES OF ENERGY, PARTICULARLY NUCLEAR ENERGY.

- 2. THORN PAINTED AN EQUALLY GLOOMY PICTURE OF PROGRESS--OR THE LACK OF IT--IN THE POLITICAL SPHERE. ON KEY EXTERNAL RELATIONS WITH THE LESSER DEVELOPED WORLD, HE EXPRESSED REGRET THAT THE NORTH-SOUTH NEGOTIATIONS IN PARIS HAVE BEEN SUSPENDED AND URGED THT THEY BE REVIVED. HE WARNED THAT MORE EQUITABLE AND STABLE ECONOMIC RELATIONS BETWEEN DEVELOPED AND UNDERDEVELOPED NATIONS MUST BE NEGOTIATED ON AN URGENT BASIS OR CONFRONTATION BORN OF DESPERATION WOULD BE THE RESULT.
- 3. THORN SAID THAT ENLARGEMENT OF THE COMMUNITY WOULD COMPOUND ALL OF THE EEC'S PROBLEMS. THE DILEMMA, IN HIS VIEW, IS THAT THE WESTERN DEMOCRACIES HAVE A REAL INTEREST IN INCLUDING SPAIN, GREECE, PORTUGAL, AND TURKEY IN THE COMMUNITY BUT THE PRICE MAY BE THAT THE COMMUNITY COULD BECOME LITTLE MORE THAN A VAST FREE-TRADE AREA. HE ADDED THAT IT IS PARTICULARLY IMPORTANT TO ENCOURAGE DEMOCRATIC TRENDS IN SPAIN BUT CAUTIONED THAT SPAIN, AS AN INDUSTRIALIZED NATION, CANNOT EXPECT "SOFT CONDITIONS" FOR MEMBERSHIP IN THE EEC.

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- 4. THORN SINGLED OUT THE DECISION IN FAVOR OF A DIRECTLY-ELECTED EUROPEAN PARLIAMENT AS A POSITIVE STEP. HE SAID, HOWEVER, THAT THE SO-CALLED DEVELOPMENT OF "EURO-COMMUNISM" COULD CREATE PROBLEMS WITHIN THE EUROPEAN PARLIAMENT AS WELL AS WITHIN THE MEMBER STATES. IF EURO-COMMUNISM REPRESENTED A REAL IDEOLOGICAL BREAK FROM THE SOVIET VERSION OF MARXISM,IT WOULD BE A WELCOMED DEVELOPMENT. BUT, HE SAID, IN HIS VIEW THE PLEDGES OF FRENCHAND ITALIAN COMMUNISTS TO RESPECT INDIVIDUAL LIBERTY AND DEMOCRATIC PROCEDURES ARE SIMPLY WINDOW DRESSING.
- 5. THORN CONCLUDED ON THE UP-BEAT BY SAYING THAT DESPITE ALL THESE PROBLEMS AND REASONS FOR DISCURAGEMENT HE REMAINS OPTIMISTIC THAT THE COMMUNITY STILL HAS A FUTURE. IF THE TINDEMANS'S REPORT IS DEAD, THE IDEAS THEREIN ARE STILL LOGICAL AND, WHEN THE TIME IS RIGHT, A MEANS WILL BE FOUND TO IMPLEMENT THEM. IN THIS RESPECT HE REEMPHASIZED THAT THE COMMON TIES BETWEEN THE UNITED STATES AND EUROPE WILL INSURE THAT THE EXISTENCE OF A STRONG, UNITED EEC WILL SERVE U.S. INTERESTS. GINN

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